

SENATE BILL NO. 488

INTRODUCED BY D. RYAN

A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING THE "STATE'S SHARE" OF THE COSTS OF THE BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS; AMENDING SECTIONS 20-7-102 AND 20-9-306, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 20-7-102, MCA, is amended to read:

**"20-7-102. Accreditation of schools.** (1) The conditions under which each elementary school, each middle school, each junior high school, 7th and 8th grades funded at high school rates, and each high school operates must be reviewed by the superintendent of public instruction to determine compliance with the standards of accreditation. The accreditation status of each school must then be established by the board of public education upon the recommendation of the superintendent of public instruction. Notification of the accreditation status for the applicable school year or years must be given to each district by the superintendent of public instruction.

(2) A school may be accredited for a period consisting of 1, 2, 3, 4, or 5 school years, except that multiyear accreditation may be granted only to schools that are in compliance with 20-4-101.

(3) A nonpublic school may, through its governing body, request that the board of public education accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection (1).

(4) As used in this section, "7th and 8th grades funded at high school rates" means an elementary school district or K-12 district elementary program whose 7th and 8th grades are funded as provided in ~~20-9-306(14)(c)(ii)~~ 20-9-306(15)(c)(ii)."

**Section 2.** Section 20-9-306, MCA, is amended to read:

**"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.



1 (2) "BASE aid" means:

2 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the  
3 general fund budget of a district;

4 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,  
5 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the  
6 special education allowable cost payment;

7 (c) the total quality educator payment;

8 (d) the total at-risk student payment;

9 (e) the total Indian education for all payment; and

10 (f) the total American Indian achievement gap payment.

11 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic  
12 entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total  
13 at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian  
14 achievement gap payment, and 140% of the special education allowable cost payment.

15 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may  
16 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through  
17 20-9-369.

18 (5) "BASE funding program" means the state program for the equitable distribution of the state's share  
19 of the cost of Montana's basic system of public elementary schools and high schools, through county equalization  
20 aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the  
21 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

22 (6) "Basic entitlement" means:

23 (a) \$230,199 for each high school district;

24 (b) \$20,718 for each elementary school district or K-12 district elementary program without an approved  
25 and accredited junior high school or middle school; and

26 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with  
27 an approved and accredited junior high school or middle school, calculated as follows using either the current  
28 year ANB or the 3-year ANB provided for in 20-9-311:

29 (i) \$20,718 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of kindergarten  
30 through grade 8; plus

1 (ii) \$230,199 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten through grade  
2 8.

3 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to  
4 20-9-311.

5 (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement  
6 for the general fund budget of a district and funded with state and county equalization aid.

7 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the  
8 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,  
9 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement  
10 gap payment, and the greater of:

11 (a) 175% of special education allowable cost payments; or

12 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures  
13 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a  
14 maximum allowable ratio of 200%.

15 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted  
16 that is above the BASE budget and below the maximum general fund budget for a district.

17 (11) "State's share" means the amount of money provided to a school district for BASE budget purposes.

18 ~~(11)~~(12) "Total American Indian achievement gap payment" means the payment resulting from multiplying  
19 \$200 times the number of American Indian students enrolled in the district as provided in 20-9-330.

20 ~~(12)~~(13) "Total at-risk student payment" means the payment resulting from the distribution of any funds  
21 appropriated for the purposes of 20-9-328.

22 ~~(13)~~(14) "Total Indian education for all payment" means the payment resulting from multiplying \$20.40  
23 times the ANB of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

24 ~~(14)~~(15) "Total per-ANB entitlement" means the district entitlement resulting from the following  
25 calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

26 (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,704 for the first  
27 ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB,  
28 with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

29 (b) for an elementary school district or a K-12 district elementary program without an approved and  
30 accredited junior high school or middle school, a maximum rate of \$4,456 for the first ANB is decreased at the

1 rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess  
2 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

3 (c) for an elementary school district or a K-12 district elementary program with an approved and  
4 accredited junior high school or middle school, the sum of:

5 (i) a maximum rate of \$4,456 for the first ANB for kindergarten through grade 6 is decreased at the rate  
6 of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving  
7 the same amount of entitlement as the 1,000th ANB; and

8 (ii) a maximum rate of \$5,704 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per  
9 ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving  
10 the same amount of entitlement as the 800th ANB.

11 ~~(15)~~(16) "Total quality educator payment" means the payment resulting from multiplying \$2,000 times the  
12 number of full-time equivalent educators as provided in 20-9-327."

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14 **NEW SECTION. Section 3. Effective date -- applicability.** [This act] is effective on passage and  
15 approval and applies to the calculation of the state's share of the costs of the basic system of free quality public  
16 elementary and secondary schools on or after [the effective date of this act].

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